

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 EUR-12 SS-15 SP-02 INR-10 PM-05
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FM AMEMBASSY BISSAU
TO SECSTATE WASHDC 1089
INFO AMEMBASSY LISBON

C O N F I D E N T I A L SECTION 1 OF 2 BISSAU 0459

STADIS//////////

E.O. 11652: GDS
TAGS: PINS, PU
SUBJECT: GUINEA-BISSAU: TROUBLE BREWING FOR PRESIDENT CABRAL?

1. CORRUPTION SCANDAL INVOLVING TWO MAJOR STATE-OWNED COMPANIES IS BREAKING IN BISSAU WHICH COULD POSE SERIOUS POLITICAL PROBLEMS FOR PRESIDENT CABRAL. RELIABLE REPORTS SAY THAT TWENTY OR MORE EMPLOYEES OF ARMAZENS DO POVO (PEOPLE'S STORES) AND SILO DATA (TRANSPORTATION COMPANY) HAVE BEEN ARRESTED FOR EMBEZZLEMENT AND CORREUPTION. CHARGES ARE PROBABLY JUSTIFIED AND COULD HAVE SERIOUS POLITICAL IMPLICATIONS AS (A) ARMAZENS DO POVO IS RULING PARTY PAIGC'S MOST PRIDEFUL CREATION DATING FROM INDEPENDENCE STRUGGLE, (B) HEAD OF ARMAZENS DO POVO IS MARRIED TO PRESIDENT CABRAL'S SISTER, (C) SUPERVISORY MINISTER RESPONSIBLE (ARMANDO RAMOS, MIN. COMMERCE) IS LOCALLY VIEWED AS MODERATE AND WESTERN ORIENTED AND (D) INVESTIGATION INITIATED AND BEING DIRECTED BY MINSECURITY SECGEN BUSCARDINI, GENERALLY REPUTED TO BE SENIOR GOGB OFFICIAL MOST CLOSELY TIED TO SOVIETS AND CUBANS.

2. MALEFACTORS APPEAR TO BE LARGELY MIDDLE AND SENIOR LEVEL ADMINISTRATORS AND TECHNICIANS, MOSTLY CARRIED OVER FROM THE COLONIAL PERIOD TRADING COMPANIES. CABRAL
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AND OTHER SENIOR LEVEL OFFICIALS ARE NOT YET IMPLICATED
BUT WE WILL WANT TO MONITOR THIS CLOSELY.

3. POLITICAL IMPORT OF SCANDAL WAS UNDERLINED BY PRESIDENT CABRAL IN SPEECH IN PROVINCIAL TOWN LAST WEEK, WHEN HE REFERRED TO REPORTS OF DISHONEST EMPLOYEES OF ARMAZENS DO POVO, DESCRIBED THEIR ACTIVITIES AS "SABOTAGE", AND PROMISED

TO PASS A LAW REQUIRING THAT SUCH "SABOTEURS" BE JUDGED
IN MILITARY COURTS.

4. BREAKING SCANDAL COULD HAVE POLITICAL IMPLICATIONS AS
CABRAL, RAMOS AND OTHERS REPRESENT "MODERATE" - AND TO
DATE DOMINANT - ELEMENT IN GOGB. PAST YEAR HAS SEEN IN-
CREASING TENDENCY OF GOGB TO OPEN LINKS WITH WEST (U.S.
SHIP VISIT, FOOD AID, ECONOMIC PROGRAMS WITH MANY WESTERN
EUROPEAN COUNTRIES, ESTABLISHMENT OF EXCELLENT RELATIONS
WITH PORTUGAL). EVEN IN POLITICAL AND INTERNATIONAL SPHERES
GOGB AND GOVERNMENT OF CAPE VERDE) HAS PURSUED
POLICIES WHICH HAVE IRRITATED SOVIETS AND CUBANS
(REFUSAL TO DECLARE A MARXIST-LENINIST PARTY AT THE
THIRD PARTY CONGRESS, POLITE REFUSAL TO FOLLOW ANGOLA'S
LEAD TO FORMALLY RECREATE THE OLD PORTUGUESE COLONIES
INDEPENDENCE MOVEMENT BLOC). DETERIORATING ECONOMIC SITUATION
COMBINED WITH SCANDAL COULD CREATE ENVIRONMENT FOR
CHANGE IN POLICY.

5. TO BUTTRESS THE MODERATE TREND IN GOGB POLITICAL
THINKING AND ACTIONS BY ASSISTING THEM IN MEETING THE
EXISTING FOOD EMERGENCY, WE RECENTLY PROPOSED A SIG-
NIFICANT (BY LOCAL STANDARDS) INCREASE IN FY 1978 TITLE
II PROGRAM (BISSAU 0337). HOWEVER, AID/W (STATE 089764)
HAS RAISED OBJECTIONS TO SIZE OF REQUEST (20,000 MT RICE)
ON GROUNDS THAT (A) OTHER FOOD DONORS HAVE MADE ADDITIONAL
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FOOD COMMITMENTS AND (B) "TOTAL US COMMITMENT
SHOULD PROBABLY NOT EXCEED ONE QUARTER TO ONE THIRD OF
TOTAL OTHER DONOR COMMITMENTS". WE ARE PREPARING REPLY
TO ITEM (A) WHICH WILL SHOW THAT EVEN WITH ADDITIONAL
OTHER COUNTRY CONTRIBUTIONS, MINIMUM OF 20,000 TONS RICE
GAP WILL EXIST. AS FOR ITEM (B), I AM AT A LOSS TO UNDER-
STAND RATIONALE FOR SELF-LIMITING PERCENTAGE OF FOOD AID,
IF PROPOSED FOOD AID MEETS REAL NEED AND NORMAL CRITERIA.
ASSISTANT SECRETARY MOOSE'S RECENT MESSAGE OF FOOD
AID FOR AFRICA (STATE 082578) WOULD APPEAR TO SUPPORT
THIS POSITION.

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TO SECSTATE WASHDC 1090

INFO AMEMBASSY LISBON

C O N F I D E N T I A L SECTION 2 OF 2 BISSAU 0459

STADIS//////////

6. I ADMIT THAT REQUEST FOR ADDITIONAL RICE HAS POLITICAL JUSTIFICATION IN MY MIND, AND THAT AID IS NOT SUPPOSED TO BE MOVED BY SUCH CONSIDERATIONS. HOWEVER, POLITICAL JUSTIFICATION SHOULD NOT BE DISQUALIFYING IF ASSISTANCE CRITERIA EXIST. GOGB IS GOING THROUGH DIFFICULT ECONOMIC PERIOD AND POLITICAL IMPLICATIONS ARE OBVIOUS. WE HAVE BEEN PLEASED BY RECENT TRENDS IN GOGB ATTITUDES AND I BELIEVE WE SHOULD ENCOURAGE CABRAL AND COMPANY BY MEETING THEIR REAL NEEDS AND HELPING THEM SOLVE READL PROBLEMS WHICH AFFLICT THE PEOPLE OF GUINEA-BISSAU. THE GOGB IS BROKE, LAST YEAR'S RAINS FAILED, AND FOOD FOR THE LARGELY RURAL POPULATION OF THIS POOR COUNTRY IS IN VERY SHORT SUPPLY.

7. AS STATED ABOVE, AID/BISSAU WILL SOON, I HOPE, REPLY TO AID/W'S INITIAL REPLY TO OUR REQUEST FOR ADDITIONAL FOOD AID. HOWEVER, THE POTENTIAL FOR POLITICAL CHALLENGES TO THE PRESENT GOVERNMENT ARISING FROM THE BREAKING CORRUPTION SCANDAL COMPRESSES THE TIME FRAME IN WHICH SUCH AID MIGHT HAVE A USEFUL POLITICAL IMPACT.

8. ACTION REQUESTED: I WOULD APPRECIATE AF MAKING APPROACH TO AFR TO SEE IF MORE RESPONSIVE REACTION COULD
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NOT BE GENERATED WITHOUT WAITING FOR OUR AIDAC TELEGRAM.
AID/W DID STATE WILLINGNESS TO CONSIDER ADDITIONAL FOUR TO EIGHT THOUSAND MT RICE. WOULD THEY CONSIDER OFFERING 10,000 TONS FOR DELIVERY BEFORE JULY (BEGINNING OF RAINY SEASON WHICH WILL INHIBIT DISTRIBUTION TO RURAL AREAS) PLUS COMMITMENT TO FAVORABLY CONSIDER ADDITIONAL 10,000 TONS FOR DELIVERY AFTER RAINY SEASON AND BEFORE NEXT CROP HARVEST (SEPTEMBER-DECEMBER) IF FURTHER NEED CAN BE SHOWN?
MARKS

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